

VZCZCXRO7440
PP RUEHMA RUEHPA
DE RUEHUJA #0360 0571451
ZNR UUUUU ZZH
P 261451Z FEB 08
FM AMEMBASSY ABUJA
TO RUEHC/SECSTATE WASHDC PRIORITY 2164
INFO RUEHOS/AMCONSUL LAGOS PRIORITY 8797
RUEHZK/ECOWAS COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC

UNCLAS ABUJA 000360

SIPDIS

SIPDIS

DEPT PASS TO OPIC-APATEL, USTR-AGAMA
DEPT PASS TO EXIM-JRICHTER, TDA-EEBONG
TREASURY FOR PETERS AND HALL
DOE FOR CGAY AND GPERSON

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [NI](#)

SUBJECT: OPIC-SUPPORTED INVESTMENT FUNDS IN THE REGIONS - AFRICINVEST FUNDS II

REF: STATE 001477

¶1. The required capital to operate businesses and implement development programs that will create jobs and improve the livelihoods of the citizens is in short supply in Africa. Some African countries, Nigeria inclusive, are implementing economic reforms in order to achieve higher growth rates and attract the much needed foreign capital. Capital for SME's remains limited in Nigeria, with interest rates often prohibitively high, despite very strong capitalization in the banking system. This fund could help put downward pressure on rates for SME's.

¶2. The Netherlands FMO has experience in equity investment and providing long-term loans in Nigeria and other countries in Africa which could be leveraged on by the AfricInvest Funds II. Nonetheless, determining which borrowers are low-risk could be challenging. However, Mission Nigeria believes that despite this issue, SME's are important for Nigeria's economic growth and will help to generate employment and develop nontraditional exports.

¶3. Embassy Abuja encourages OPIC to support the AfricInvest Funds II.

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